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Good afternoon. Thank you for the opportunity to appear before this panel today. I am Carol Henton, Vice President of the Information Technology Association of America. ITAA represents close to 400 companies across the country involved in every major facet of the information technology industry, including computer hardware, software, services, Internet, telecommunications and more. Many of our member companies provide advanced IT solutions to the California State and local marketplace, and many are proud to make their headquarters in this great State. ITAA maintains a west coast office in Silicon Valley because California is so important to the IT industry.

In a statement issued on August 4th, Harris N. Miller, the President of ITAA, praised the new CPR report by saying: "Gov. Schwarzenegger has given IT a starring role in the remake of California's government systems. We are pleased to see that the governor's review correctly identifies the need to use information technology to eliminate redundancy and increase efficiency in government operations. We agree that IT properly aligned with state goals and objectives, pursued on an enterprise wide basis and managed using a comprehensive enterprise architecture will make a major difference to California taxpayers and the recipients of government services. We anticipate that as the state moves to introduce the necessary changes, agencies will leverage the formidable technical expertise and experience of private sector IT solutions providers."

My remarks today will focus only on one area, namely what seems to be a stated preference in the report for Open Source Software (OSS) in state procurement. Let me say first that ITAA member companies are involved in every kind of software solution including those based on open source code as well as proprietary software. If we have a bias, it is in favor of value to customers, not any particular software development model. Having said that, we are concerned about the specific language in the report, which states, "departments should take an inventory of software purchases and software renewals … and implement open source alternatives *where feasible*". At best this is an unfortunate choice of words that sends the wrong signal to the state procurement community. At

worst, it implies a government preference for open source solutions that we believe is ill advised. ***We believe the State of California should move to open source where it makes sense based on objective criteria, not just when it is possible.***

While open source software is a legitimate and potentially effective approach to software development, this approach is not inherently better, nor more deserving of consideration than proprietary approaches. Rather we believe that government procurement should focus on issues like software cost and quality, not underlying business models. Software used by the State of California should be procured based on its merits, its evaluation as the "best value" to the customer, not on its license or development model category. Such procurement decisions should be made on a technology neutral basis.

ITAA joins in opposing government-mandated procurement preferences of any kind at any level. Governments, like all potential and existing customers, should choose software on a technology-neutral and vendor-neutral basis by examining the merits of the technology, its advantages and its total cost of ownership, and not by replacing or discouraging the use of software based solely on its licensing or development model.

Therefore, and in conclusion, we do not believe open source software should be a source selection criterion in government procurement regulations. We believe that doing so would place government mandates in front of best value for California taxpayers.

In conclusion, as I noted at the outset, we are pleased with many of the recommendations contained in this important report. You can expect to receive additional written comments from ITAA on the CPR recommendations in September. We look forward to working with you going forward. Thank you.

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About ITAA
The Information Technology Association of America (ITAA) provides global public policy, business networking, and national leadership to promote the continued rapid growth of the IT industry. ITAA consists of over 500 corporate members throughout the U.S., and a global network of 46 countries' IT associations. The Association plays the leading role in issues of IT industry concern including information security, taxes and finance policy, digital intellectual property protection, telecommunications competition, workforce and education, immigration, online privacy and consumer protection, government IT procurement, RFID, human resources and e-commerce policy. ITAA members range from the smallest IT start-ups to industry leaders in the Internet, software, IT services, ASP, digital content, systems integration, telecommunications, and enterprise solution fields. For more information visit www.itaa.org.

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